THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (e) Non-performing assets of all categories of borrowers including farmers and small businessmen are reviewed by the banks on a continued basis. The treatment to different categories is decided by the banks themselves within the existing guidelines. Banks do not resort to any kind of discrimination against any of the disadvantaged category of borrowers with NPAs, Commercial banks are operating within the over all supervision of Reserve Bank of India and there is no question of RBI making any distinction-in this regard.

Both RBI and Government of India have taken several steps to reduce the incidence of NPAs of all categories of borrowers. These *inter alia* includes evolving and implementing a recovery policy by banks, filing of suits in (civil courts/DRTs) compromise settlement and monitoring and follow up of NPAs at various levels. Credit Information Bureau has also been set up to disseminate information on borrowers among the banks. Use of Corporate Debt Restructuring (CDR) scheme. Asset Reconstruction Company (India Ltd.) has been incorporated for the purpose of addressing Non-performing assets. "The Securitisation & Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002" has been enacted to tackle the problem of chronic non-performing assets.

Amendment in the guidelines for NGOs receiving foreign aid

4200. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the recent amendment to the guidelines for receiving foreign aid by NGOs from bilateral partners, mandates the beneficiaries to fill up and submit an additional proforma to the Department of Economic Affairs;

(b) whether the additional requirement brought about by the amendment, apart from FCRA stipulations, will delay the programme of work by the voluntary sector due to bureaucratic hassles;

(c) whether the NGOs have alleged that the new provision is against the very ethos of the voluntary sector; and

(d) if so, Government's reaction thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. Non-governmental organizations (NGOs), autonomous institutions etc., seeking external assistance from bilateral development partners are required to fill a prescribed proforma

and submit it through the concerned external partner along with their project proposals.

(b) to (d) Although representations have been received apprehending delays, project proposals, as and when received, are being processed expenditiously in a time bound manner, to prevent any delay.

Strengthening of NBFCs

4201. SHRIMATI S.G INDIRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering to strengthen the Non-Banking Financial Companies;

(b) if so, the details thereof;

(c) whether it is also a fact that the NBFCs have urged that provisions of Debt Recovery Tribunal Act and the Securitisation Act available to banks and housing finance companies be extended to NBFCs to protect their assets; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Reserve Bank of India (RBI) have reported that the Non-Banking finance Companies (NBFCs) are playing an important role in asset creation particularly in transport sector and the RBI is taking steps to further support the non-banking financial companies sector.

(c) and (d) The representatives of NBFCs have been requesting the Reserve Bank for extension of Debt Recovery Tribunal (DRT) and SARFAESI Act to NBFCs as available to banks and housing finance companies. The matter is being examined in consultation with RBI.

Harassment of customers by private insurance companies

†4202. SHRI KALRAJ MISHRA:

SHRI PYARELAL KHANDELWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the fact that private sector insurance companies harass the consumers while making payments against their claims;

† Original notice of the question was received in Hindi.